

GAMING POLICY ADVISORY COMMITTEE

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**MINUTES OF OCTOBER 5, 2022
GAMING POLICY ADVISORY COMMITTEE MEETING**

Pursuant to Government Code Section 11133, the meeting was held by tele/videoconference and there was no location open to the public.

OPEN SESSION

1. Welcome and Call to Order

Executive Director Stacey Luna Baxter called the October 5, 2022 meeting of the Gaming Policy Advisory Committee (GPAC) to order at 1:30 p.m.

2. Roll Call of GPAC Members

Roll call of the Committee Members was taken. John Choo, Daniela Cicu, Linda Graves, Luis Jaramillo, Jieho Lee, Emmanuel Macalino, Yolanda Morrow and Art Van Loon were present. Anita Johnson was absent. At the time of roll call, David Fried was absent; however, David arrived shortly thereafter during agenda item 3.

Stacey introduced Rebecca Kirk to the members indicating that she recently joined the Commission as the new Deputy Director for the Legislative and Regulatory Affairs Division.

3. Review and Approval of May 24, 2022 Meeting Minutes.

Art Van Loon moved to approve the May 24, 2022 meeting minutes. Luis Jaramillo seconded the motion, which was approved by a roll call vote of members John Choo, Daniela Cicu, David Fried, Linda Graves, Luis Jaramillo, Jieho Lee, Emmanuel Macalino, and Art Van Loon voting yes; Yolanda Morrow abstaining due to her absence at the May 24, 2022 meeting.

Current Projects:

- A. Update on Work Permit Project (Sub-Committee Members: Luis Jaramillo and Yolanda Morrow)

Sub-Committee members Luis Jaramillo and Yolanda Morrow reported that they have decided that the Statewide Involuntary Exclusion List process could be used to

serve the goals of the work permit project. Stacey voiced concerns over existing regulations requiring revisions to outline what must be submitted along with a Statewide Involuntary Exclusion List request, as the recent submissions have been lacking substantiating documentation. Stacey said this is something that the Commission will address. Stacey asked the sub-committee if they could develop a plan for outreach to the industry concerning the use of the Statewide Involuntary Exclusion List program for the work permit project. The sub-committee members agreed.

B. Review Final Recommendations on Dual Licensure within Cannabis and Control Gambling Industries Project (Sub-Committee Member: Jieho Lee and David Fried)

Sub-Committee members David Fried and Jieho Lee presented for GPAC's consideration a memorandum titled *Dual Licensure in the Gaming and Cannabis Industries* which included a list of recommendations to be presented to the Commission for them to determine if it requires rulemaking action. The listed recommendations are:

- Requiring applicants/licensees to provide financial account information for their cannabis business with initial and renewal applications;
- Considering when appropriate whether the failure of an applicant/licensee to obtain and maintain a separate bank account for a cannabis business is grounds for license denial, conditions or revocation;
- Verification of financial account information and license status as part of the Bureau's investigation; and
- If necessary, a memorandum of understanding between the Bureau and the Department of Cannabis Control for information sharing on dual licensees.

David Fried made a motion to adopt the memorandum to send to the Commission with the paragraph that begins with "These measure do not require new regulations" deleted. Jieho Lee seconded the motion which was approved unanimously in a roll call vote by the members present.

C. Modification of GPAC Selection Criteria Project (Sub-Committee Members: Anita Johnson and David Fried)

Stacey reported that the Modification of GPAC Selection Criteria Project was presented to the Commission and approved at the August 11, 2022 public meeting. The changes that were recommended by GPAC went into effect on that same day.

D. Update on Key Employee Definition and Supervisory Capacity Project (Sub-Committee Members: Yolanda Morrow and Daniela Cicu)

Sub-Committee member Yolanda Morrow provided an overview of the proposed project indicating that the focus is defining regulations related to key employees and specifically developing a definition of supervisory capacity. There were discussions concerning the definition for "Discretionary Decisions" specifically the meaning of

unrestricted judgment that regulates gambling operations. Yolanda indicated that both she and Daniela would work on redefining parts of the proposed text to be rerouted to the GPAC members before the next meeting.

E. Update on GPAC Outreach Project (Sub-Committee Member: Emmanuel Macalino)

Item E was discussed following Item 4.B.

Sub-Committee member Emmanuel Macalino indicated that he drafted an outline and methodology for the project that has been distributed to GPAC prior to the meeting. Emmanuel read into the record the draft *Active Outreach Program Outline's* parameters, implementation, and reporting sections.

Stacey commented on the draft Process/Methodology indicating that GPAC does not need approval from the Executive Director prior to visiting the industry, but that she would like to be kept informed in case there are any items that need to be placed on an agenda. Stacey read into the record the remaining six items from the draft Process/Methodology.

Linda Graves mentioned that she would like to have a list of talking points to address with the cardrooms before meeting with them. Stacey suggested the next step in this project would be to outline specific goals of the project that can later be used to measure the projects effectiveness in terms of meeting specific milestones. Linda Graves volunteered to be a sub-committee member and to help Emmanuel with the development of project goals.

4. New Projects Discussion:

A. Project Documentation and the Release of Documentation on the Website Prior to Meetings

- i. Project Scope
- ii. Selection of Sub-Committee Members

Item 4.A. was discussed before Item E.

Stacey explained that this item was on the agenda for GPAC to consider whether they wanted their working documents posted on the website for public dissemination. After discussion of the members, it was decided that documents being presented for GPAC vote and draft regulatory language would be posted on the website with a draft watermark and date included on the document.

B. Cashless and Chipless Gaming

- i. Project Scope
- ii. Selection of Sub-Committee Members

Item 4.B. was discussed before Item E.

Art Van Loon reported on his research of cashless and chipless gaming. He stated that Sightline and Everi are two of the companies that provide services for these gaming systems. Art also indicated that Nevada has approved the use of cashless gaming as well as several tribal casinos. Art provided an explanation on how cashless and chipless gaming works.

Stacey mentioned that a formal Attorney General Opinion on the legalities of the use of a cashless system may be needed before regulations could be considered.

Chris Sieroty, US Editor with Vixio Gambling Compliance, indicated that Nevada, Virginia, Colorado, and Wyoming all have regulations concerning cashless gaming. Mr. Sieroty also provided information on vendors that provide cashless gaming services who will be at the upcoming Global Gaming Expo in Las Vegas.

David Fried and Art Van Loon volunteered to be sub-committee members. The sub-committee will explore existing regulations from various states on cashless and chipless gaming systems.

5. Discussion of New Agenda Items for Next Meeting

None.

6. Next Meeting

The next GPAC meeting was tentatively set for November 29, 2022 at 1:30p.m.

7. Public Comment

None.

ADJOURNMENT

The meeting adjourned at 3:25 p.m.